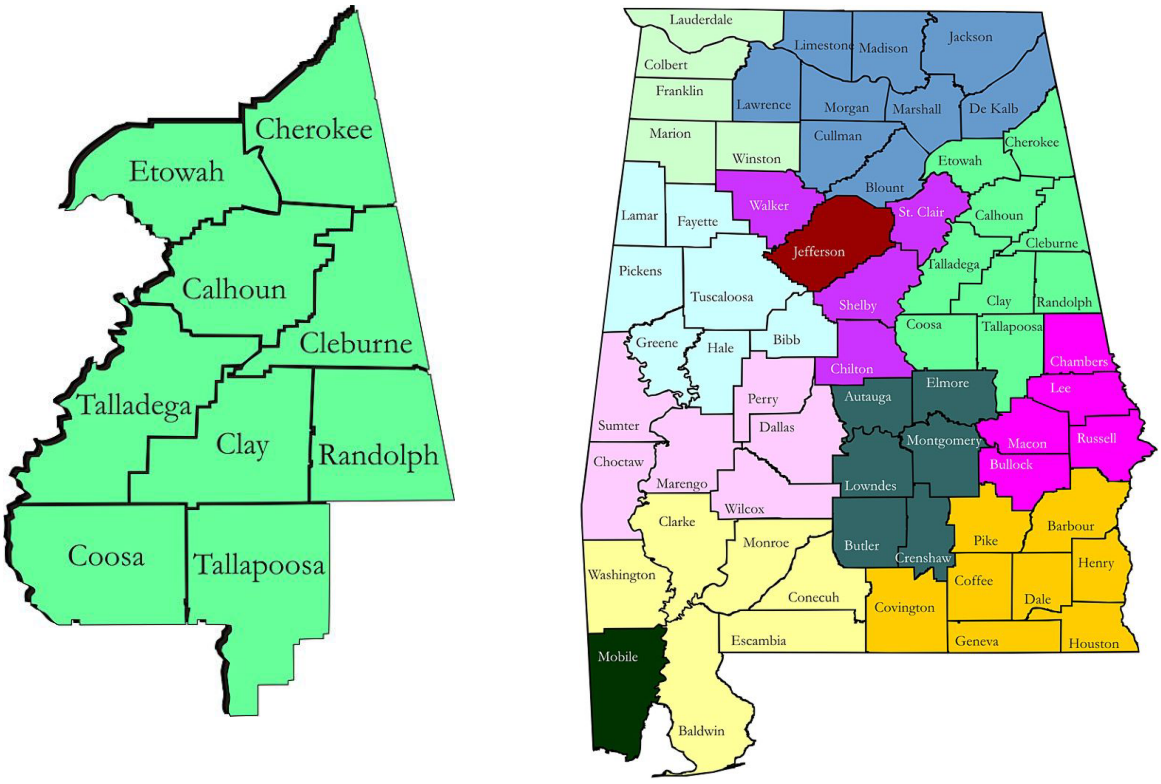
WIAA Region 5 Workforce Report



Summary

- Region 5 had a 4.4 percent unemployment rate in August 2005, with about 8,700 unemployed. However, the nine-county region has a 53,400-strong available labor pool that is looking for better jobs and includes 44,700 underemployed workers. The underemployed are willing to commute farther and longer; for the one-way commute, 57 percent are prepared for 20 or more minutes longer and 44 percent will go 20 or more extra miles.

- In 2000, about 31,400 residents commuted out of the region for work, compared to 10,200 in-commuters. All nine counties had net commuter outflow. About 30 percent of the commuter outflow was into Georgia. Significant commuting within the region suggests that the roads and highways must be maintained properly to ensure uninterrupted movement of workers as impeded movement of workers can slow economic development.

- Educational attainment in the region is lower than for Alabama. Of the age 25 and over population, Alabama has 75 percent high school graduates and 19 percent bachelor's or higher degree holders, compared to 71 percent and 13 percent, respectively, for the region. Educational attainment for all counties in the region is below the state level.

- Employment is currently growing faster than the labor force. While this might reduce commuter outflow, it also presents a challenge to workforce development. Initiatives addressing this challenge should consider (i) focusing on hard-to-serve populations (e.g. out-of-school youth and illiterate adults), (ii) facilitating in-commuting, and (iii) helping communities gain new residents. Increasing population is generally more beneficial to communities than in-commuting. Population growth in the region is lagging that for the state. Hard-to-serve populations are often outside of the mainstream economy, poor, and have difficulty finding work, but are potential labor force participants. Investment in training, transportation, child care, infrastructure, etc. may be needed to tap this resource.

- By sector, the top five employers in the region are manufacturing, health care and social assistance, retail trade, educational services, and accommodation and food services. These five industries provided 97,870 jobs, 69 percent of the region total in the second quarter of 2004. Of these leading employers, only manufacturing had higher average monthly wages than the $2,405 regional average.

- On average about 7,500 jobs were created per quarter from second quarter 2001 to second quarter 2004; quarterly net job flows averaged 737. Job creation is the number of new jobs that are created either by new area businesses or through expansion of existing firms. Net job flows reflect the difference between current and previous employment at all businesses.

- Six occupations are both high-demand and fast-growing: Counter and Rental Clerks; Cabinetmakers and Bench Carpenters; Registered Nurses; Construction Laborers; Combined Food Preparation and Serving Workers; and Nursing Aides, Orderlies, and Attendants. The top five high-demand occupations are Cashiers; Combined Food Preparation and Serving Workers; Retail Salespersons; Waiters and Waitresses; and Office Clerks, General. The top five fast-growing occupations are Medical Assistants; Telecommunications Line Installers and Repairers; Home Health Aide; Emergency Medical Technicians and Paramedics; and Painters, Transportation Equipment.

- The top 50 highest earning occupations are mainly in health, legal, management, engineering, computer, and postsecondary education fields. Seven of the top 10 are health occupations. Almost all high-earning occupations require bachelor's or higher degrees.

- Fast-growing or high-demand occupations are generally not high-earning. Of 39 selected high-demand, 36 selected fast-growing, and 50 selected high-earning occupations, only one high earning occupation, General and Operations Managers, is in the high-demand category. Six occupations are both high-earning and fast-growing: Pharmacists; Sales Managers; Mechanical Engineers; Education Administrators, Postsecondary; Management Analysts; and Industrial Engineers.

- The most relevant skills for high-demand and fast-growing occupations are basic: active listening, reading comprehension, speaking, writing, and service orientation. High-demand and high-growth occupations are also common to the leading employment sectors. Economic development should aim to diversify and strengthen the region's economy by retaining, expanding, and attracting more high-wage providing industries.

- The finding that basic skills are important—for high-demand, high-growth, and high-earning jobs—indicates a strong need for training in these skills. Ideally, all high school graduates should possess basic skills so that postsecondary and higher education can focus on other and more complex skills as well as enhancing these basic skills. Employers should be an integral part of planning for training as they can help identify future skill needs and any existing gaps.

- Skill and education requirements for jobs keep rising. This strongly emphasizes the need to raise educational attainment in the region and presents challenges to workforce development. It also presents opportunities for economic development through workforce development activities that involve postsecondary and higher education institutions. Higher incomes to graduates from these institutions would help to raise personal income for the region. Raising personal income by improving educational attainment for a region that has a large number of low wage jobs is an effective economic development strategy.

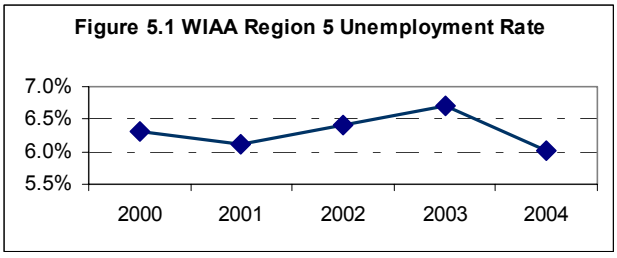
- A highly educated and productive workforce is a critical economic development asset. Together, workforce development and economic development can provide this asset and build a strong well-diversified regional economy. Indeed, one cannot achieve success without the other.

Workforce Supply

Labor Force Activity

The labor force includes all persons in the civilian noninstitutional population who are age 16 and over and who have, or are actively looking for, a job. Typically, those who have no job and are not looking for one are not included (e.g. students, retirees, and the disabled). Table 5.1 shows labor force information for Region 5 and its nine counties for 2004 and August 2005. Rising numbers of employed residents relative to labor force size lowered unemployment in 2005 for the region and its counties. Randolph County is the only one with shrinking number of employed and labor force.

Unemployment rates in 2004 ranged between 4.7 percent and 7.1 percent for the counties, with 6.0 percent for the region. In August 2005, the unemployment range was 3.7 percent to 7.4 percent, with a 4.4 percent rate for the region. Annual unemployment rates for 2000 to 2004 are shown in Figure 5.1. The region's unemployment dropped to 6.1 percent in 2001, rose to 6.7 percent in 2003, and has been declining since. Employment in the region averaged 141,750 quarterly from the second quarter of 2001 to third quarter 2004 (Figure 5.2). Employment, which refers to the number of full-time and part-time jobs, has been steadily rising with increasing economic activity.

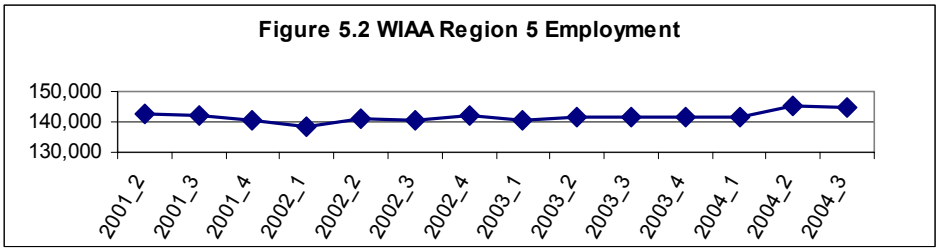


Source: Alabama Department of Industrial Relations.

Table 5.1 WIAA Region 5 Labor Force Information

	2004			
	Labor Force	Employed	Unemployed	Rate
Calhoun	54,324	51,393	2,931	5.40%
Cherokee	12,135	11,571	564	4.65%
Clay	5,910	5,540	370	6.26%
Cleburne	6,726	6,379	347	5.16%
Coosa	5,017	4,661	356	7.10%
Etowah	47,268	44,291	2,977	6.30%
Randolph	10,099	9,438	661	6.55%
Talladega	39,214	36,592	2,622	6.69%
Tallapoosa	18,438	17,306	1,132	6.14%
WIAA Region 5	199,131	187,171	11,960	6.01%
Alabama	2,148,766	2,029,314	119,452	5.56%
U.S.	147,401,000	139,252,000	8,149,000	5.53%
	2005 August			
	Labor Force	Employed	Unemployed	Rate
Calhoun	53,780	51,564	2,216	4.12%
Cherokee	12,179	11,697	482	3.96%
Clay	5,912	5,619	293	4.96%
Cleburne	6,637	6,391	246	3.71%
Coosa	5,022	4,808	214	4.26%
Etowah	46,764	44,752	2,012	4.30%
Randolph	9,532	8,830	702	7.36%
Talladega	39,579	37,818	1,761	4.45%
Tallapoosa	18,593	17,848	745	4.01%
WIAA Region 5	197,998	189,327	8,671	4.38%
Alabama	2,155,745	2,065,528	90,217	4.18%
U.S.	150,469,000	143,142,000	7,327,000	4.87%

Source: Alabama Department of Industrial Relations and U.S. Bureau of Labor Statistics.



Source: Alabama Department of Industrial Relations and U.S. Census Bureau.

Commuting Patterns

In 2000, almost 21,200 more people commuted out of the region for work than commuted in (Table 5.2). There was significant commuting within the region as well. About 30 percent of the commuter outflow was into Georgia. All nine counties had net commuter outflow.

Table 5.2 also shows the one-way average commute time and distance for workers in 2004; the data were collected as part of a survey on underemployment. The one-way commute takes less than 20 minutes for 59 percent of resident workers; between 20 and 40 minutes for 25 percent; and more than 40 minutes for 11 percent. About 3 percent of workers take more than an hour.

The commute is less than 10 miles for 44 percent of workers and roughly 31 percent travel 10 to 25 miles. About 18 percent of workers travel more than 25 miles one-way, with nearly 6 percent exceeding 45 miles. This commuting data suggest that roads and highways must be maintained properly to ensure uninterrupted movement of workers so as to not slow economic development.

Table 5.2 WIAA Region 5 Commuting Patterns

Area	Inflow, 2000		Outflow, 2000	
	Number	Percent	Number	Percent
Calhoun	1,778	17.4	3,115	9.9
Cherokee	344	3.4	4,131	13.2
Clay	117	1.1	301	1.0
Cleburne	53	0.5	2,374	7.6
Coosa	141	1.4	618	2.0
Etowah	3,723	36.4	8,537	27.2
Randolph	750	7.3	2,953	9.4
Talladega	1,894	18.5	5,227	16.7
Tallapoosa	1,421	13.9	4,127	13.2
WIAA Region 5	10,221	100.0	31,383	100.0

Average commute time (one-way), 2004	Percent of workers
Less than 20 minutes	59.1
20 to 40 minutes	25.2
40 minutes to an hour	7.8
More than an hour	3.2

Average commute distance (one-way), 2004	Percent of workers
Less than 10 miles	44.4
10 to 25 miles	31.3
25 to 45 miles	12.5
More than 45 miles	5.9

Note: Rounding errors may be present.

Source: U.S. Census Bureau and Alabama Department of Industrial Relations.

Population

The Region 5 population estimate of 423,859 for 2004 is 0.1 percent less than was recorded for 2000 (Figure 5.3 and Table 5.3). The population shrank in four counties. The region's population is projected to grow 4.6 percent in this decade to about 443,800 by 2010. Population will grow fastest in Cherokee County and slowest in Calhoun County. Faster employment growth will reduce commuter outflow and place less of a burden on the region's roads. Communities that experience rapid job gains should invest in amenities and infrastructure to attract new residents.

Figure 5.3 WIAA Region 5 Population

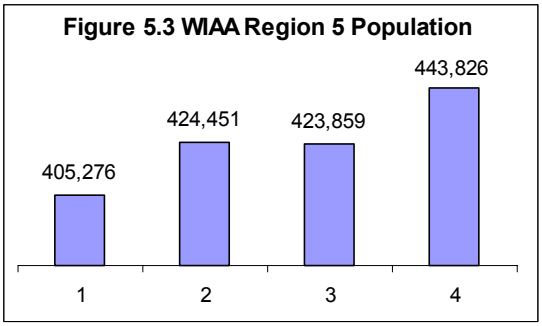


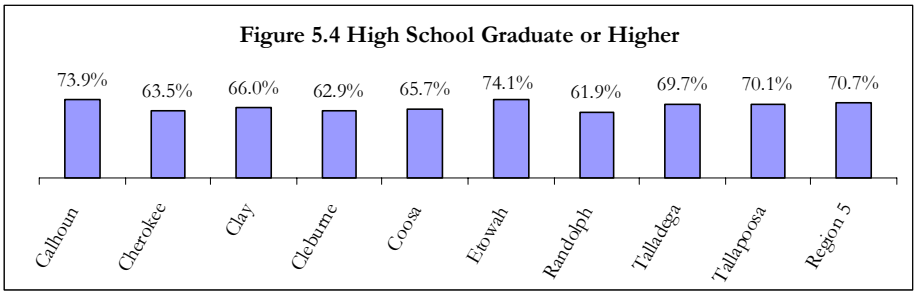
Table 5.3 WIAA Region 5 Population

	1990 Census	2000 Census	2004 Estimate	% Change 2000-2004	2010 Projected	% Change 2000-2010
Calhoun	116,034	112,249	112,425	0.2	112,184	-0.1
Cherokee	19,543	23,988	24,525	2.2	28,320	18.1
Clay	13,252	14,254	14,092	-1.1	15,277	7.2
Cleburne	12,730	14,123	14,458	2.4	15,409	9.1
Coosa	11,063	12,202	11,368	-6.8	13,127	7.6
Etowah	99,840	103,459	103,250	-0.2	105,907	2.4
Randolph	19,881	22,380	22,603	1.0	24,819	10.9
Talladega	74,107	80,321	80,277	-0.1	85,524	6.5
Tallapoosa	38,826	41,475	40,861	-1.5	43,259	4.3
WIAA Region 5	405,276	424,451	423,859	-0.1	443,826	4.6
Alabama	4,040,587	4,447,100	4,530,182	1.9	4,838,812	8.8
U.S.	248,709,873	281,421,966	296,655,404	5.4	314,571,000	11.8

Source: Center for Business and Economic Research, The University of Alabama and U.S. Census Bureau.

Educational Attainment

Educational attainment of Region 5 residents who are 25 years old and over is shown below in Table 5.4 and Figures 5.4 and 5.5. Nearly 71 percent graduated from high school and 13 percent hold a bachelor's or higher degree. Educational attainment for all counties in the region is below the state level. Educational attainment is important as skills rise with education and high wage 21st century jobs demand more skill sets.



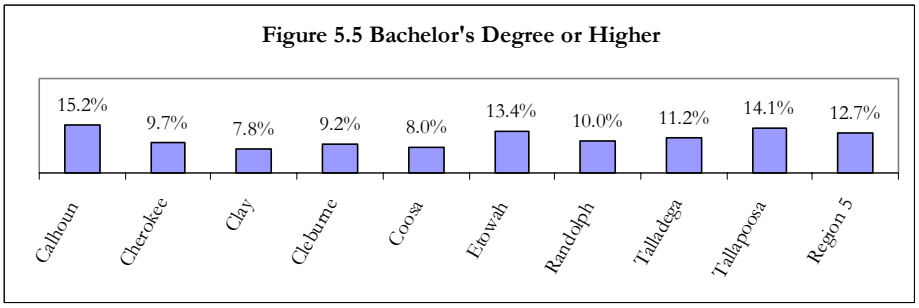


Table 5.4 Educational Attainment in 2000, Population 25 Years and Over

	Calhoun	Cherokee	Clay	Cleburne	Coosa
Total	74,015	16,825	9,767	9,533	8,255
No schooling completed	734	372	125	159	180
Nursery to 4th grade	438	176	36	127	63
5th and 6th grade	1,465	559	315	293	203
7th and 8th grade	3,521	1,215	721	663	398
9th grade	3,474	1,019	616	656	513
10th grade	3,795	1,105	611	816	593
11th grade	3,279	896	450	424	481
12th grade, no diploma	2,612	796	448	398	400
High school graduate/equivalent	23,856	5,865	3,690	3,417	3,164
Some college, less than 1yr	4,794	960	544	411	414
Some college, 1+ yrs, no degree	11,017	1,517	977	965	821
Associate degree	3,765	709	471	325	362
Bachelor's degree	6,612	928	486	463	428
Master's degree	3,332	537	219	344	174
Professional school degree	828	151	43	57	41
Doctorate degree	493	20	15	15	20

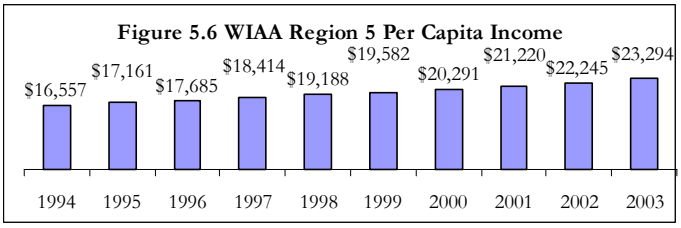
	Etowah	Randolph	Talladega	Tallapoosa	Region 5
Total	69,829	14,762	53,060	28,373	284,419
No schooling completed	743	218	693	320	3,544
Nursery to 4th grade	432	246	442	264	2,224
5th and 6th grade	1,554	564	1,287	772	7,012
7th and 8th grade	3,294	981	2,886	1,373	15,052
9th grade	2,978	971	2,658	1,369	14,254
10th grade	3,532	1,061	3,149	1,667	16,329
11th grade	3,098	844	2,707	1,510	13,689
12th grade, no diploma	2,484	733	2,280	1,214	11,365
High school graduate/equivalent	22,531	4,723	18,270	9,348	94,864
Some college, less than 1yr	4,651	852	3,491	1,808	17,925
Some college, 1+ yrs, no degree	10,486	1,484	6,892	3,427	37,586
Associate degree	4,674	606	2,354	1,289	14,555
Bachelor's degree	5,679	919	3,663	2,679	21,857
Master's degree	2,653	413	1,685	899	10,256
Professional school degree	809	107	454	354	2,844
Doctorate degree	231	40	149	80	1,063

Source: Center for Business and Economic Research, The University of Alabama and U.S. Census Bureau.

Per Capita Income

Per capita income (PCI) in Region 5 was at $23,294 in 2003 (Figure 5.6), 41 percent higher than in 1994, and about $3,200 or 12 percent less than the Alabama average of $26,505. Calhoun County had the highest PCI with $24,492 and Randolph had the lowest with $19,645. All nine counties' PCIs were below the state average.

Figure 5.6 WIAA Region 5 Per Capita Income



Source: U.S. Bureau of Economic Analysis and Center for Business and Economic Research, The University of Alabama.

Underemployment and Available Labor

Labor force data are often limited to information on the employed and the unemployed that is available from government sources. However, this information is not complete from the perspective of employers. New or expanding employers are also interested in underemployment because current workers are potential employees. In fact, experience requirements in job ads are evidence that many prospective employers look beyond the unemployed for workers.

Workers in occupations that underutilize their experience, training, and skills are underemployed. These workers might look for other work because their current earnings are below what they believe they can get or because they wish to not be underemployed. Underemployment occurs for various reasons including (i) productivity growth, (ii) spousal employment and income, and (iii) family constraints or personal preferences. The various contributing factors combined with economic, social, and geographic characteristics of areas make underemployment unique to areas.

The existence of underemployment identifies economic potential that is not being realized. It is extremely difficult to measure this economic potential because of uncertainties regarding additional income that the underemployed can bring to an area. It is clear, however, that underemployment provides opportunities for selective job creation and economic growth. A business that needs skills prevalent among the underemployed could locate in WIAAs with such workers regardless of those areas' unemployment rates. A low unemployment rate, which may falsely suggest limited labor availability, is not a hindrance to the business.

The underemployed present a significant pool of labor because they tend to respond to job opportunities that they believe are better for reasons that include (i) higher income, (ii) better benefits, (iii) better terms and conditions of employment, and (iv) better match with skills, training, and experience. The underemployed also create opportunities for entry level workers as they leave lower-paying jobs for better-paying ones. Even if their previously held positions are lost or not filled (perhaps due to low unemployment), there is economic growth in gaining higher-paying jobs. Such income growth boosts consumption, savings, and tax collections. Quantifying the size of the underemployed is a necessary first step in exploiting it for economic development, workforce training, planning, and other uses.

WIAA Region 5 had an underemployment rate of 23.6 percent in 2004. Applying this rate to August 2005 labor force data means that about 44,700 employed residents were underemployed (Table 5.5). Adding the unemployed gives a total available labor pool of 53,352 for the region. This pool is more than six times the number of unemployed and is a more realistic measure of the available labor in the region. However, prospective employers must be prepared to offer the underemployed higher wages, better terms of employment, or some other incentives to induce them to change jobs. Underemployment ranged from 15.5 percent for Cherokee County to 28.9 percent for Etowah County. Calhoun County has the largest available labor in the region and Cleburne County has the smallest.

Table 5.5 Available Labor in WIAA Region 5

	Region 5	Calhoun	Cherokee	Clay	Cleburne
Labor Force	197,998	53,780	12,179	5,912	6,637
Employed	189,327	51,564	11,697	5,619	6,391
Underemployment rate	23.60%	27.40%	15.50%	24.60%	21.70%
Underemployed workers	44,681	14,129	1,813	1,382	1,387
Unemployed	8,671	2,216	482	293	246
Available labor pool	**53,352**	**16,345**	**2,295**	**1,675**	**1,633**
	Coosa	Etowah	Randolph	Talladega	Tallapoosa
Labor Force	5,022	46,764	9,532	39,579	18,593
Employed	4,808	44,752	8,830	37,818	17,848
Underemployment rate	28.80%	28.90%	22.90%	15.90%	26.30%
Underemployed workers	1,385	12,933	2,022	6,013	4,694
Unemployed	214	2,012	702	1,761	745
Available labor pool	**1,599**	**14,945**	**2,724**	**7,774**	**5,439**

Note: Rounding errors may be present. Based on August 2005 labor force data and 2004 underemployment rates.
Source: Center for Business and Economic Research, The University of Alabama and Alabama Department of Industrial Relations.

Workforce Demand

Industry Mix

The manufacturing sector was the leading employer with roughly 36,100 jobs in the second quarter of 2004 (Table 5.6). Rounding up the top five industries by employment are health care and social assistance; retail trade; educational services; and accommodation and food services. These five industries provided 97,869 jobs, 69 percent of the region total. The average monthly wage across all industries in the region was $2,405. Of the leading employers, only manufacturing paid more than this average. The highest average monthly wages were for mining ($4,394), utilities ($3,668), and information ($3,101). Accommodation and food services paid the least at $1,047. Mining also had the highest average monthly new hire wages with $3,650, followed by management of companies and enterprises with $2,490. Accommodation and food services paid the least average monthly new hire wages with $737.

By broad industry classification, service producing industries provided about 65 percent of all covered jobs in the region in second quarter 2004 (Figure 5.7). Goods producing industries were next with 30 percent and public administration 5 percent.

Figure 5.7 WIAA Region 5 Employment Distribution

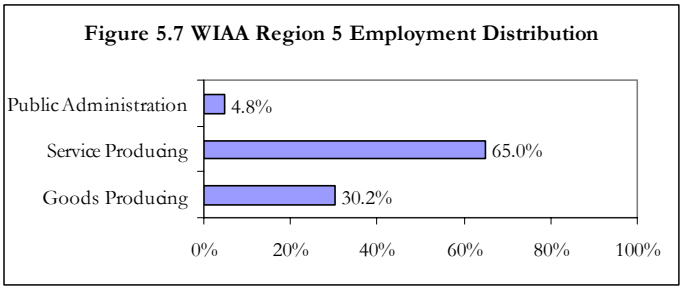


Table 5.6 Industry Mix (2nd Quarter 2004)

Industry by 2-digit NAICS Code	Total Employment	Share	Rank	Average Monthly Wage	Average Monthly New Hire Earnings
11 Agriculture, Forestry, Fishing and Hunting	829	0.58%	18	$2,064	$1,692
21 Mining	612	0.43%	19	$4,394	$3,650
22 Utilities	1,210	0.85%	16	$3,668	$2,364
23 Construction	5,413	3.80%	8	$2,519	$2,169
31-33 Manufacturing	36,111	25.35%	1	$3,015	$2,277
42 Wholesale Trade	5,165	3.63%	9	$3,016	$2,227
44-45 Retail Trade	18,573	13.04%	3	$1,784	$1,157
48-49 Transportation and Warehousing	3,245	2.28%	12	$2,642	$2,160
51 Information	2,030	1.43%	14	$3,101	$1,787
52 Finance and Insurance	3,272	2.30%	11	$2,869	$2,030
53 Real Estate and Rental and Leasing	1,429	1.00%	15	$2,078	$1,394
54 Professional, Scientific, and Technical Services	3,371	2.37%	10	$3,021	$2,071
55 Management of Companies and Enterprises	307	0.22%	20	$2,763	$2,490
56 Administrative and Support and Waste Management and Remediation Services	6,856	4.81%	6	$1,909	$1,345
61 Educational Services	12,860	9.03%	4	$2,370	$1,456
62 Health Care and Social Assistance	19,279	13.54%	2	$2,386	$1,727
71 Arts, Entertainment, and Recreation	1,023	0.72%	17	$1,644	$1,105
72 Accommodation and Food Services	11,046	7.76%	5	$1,047	$737
81 Other Services (except Public Administration)	2,983	2.09%	13	$1,884	$1,374
92 Public Administration	6,821	4.79%	7	$2,324	$1,546
ALL INDUSTRIES	142,435	100.00%		$2,405	

Source: Alabama Department of Industrial Relations and U.S. Census Bureau.

Job Creation and Net Job Flows

On average, 7,514 jobs were created per quarter from second quarter 2001 to second quarter 2004 (Figure 5.8). Quarterly net job flows averaged 737 in the same period (Figure 5.9). Net job flows have ranged from a loss of 1,000 to a gain of about 2,200. Job creation refers to the number of new jobs that are created either by new area businesses or through the expansion of existing firms. Net job flows reflect the difference between current and previous employment at all businesses.

Figure 5.8 Job Creation in WIAA Region 5

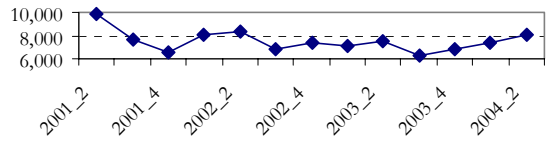
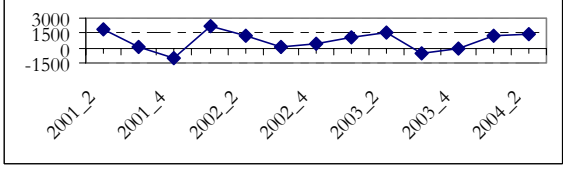


Figure 5.9 WIAA Region 5 Net Job Flows



Source: Alabama Department of Industrial Relations and U.S. Census Bureau.

High-Demand Occupations

Table 5.7 shows the top 39 of more than 500 occupations ranked by projected demand for jobs. Many of these occupations are common to the top five employment sectors identified earlier: manufacturing; health care and social assistance; retail trade; educational services; and accommodation and food services. Thus these sectors will continue to dominate employment in the region. The top five high-demand occupations are Cashiers; Combined Food Preparation and Serving Workers; Retail Salespersons; Waiters and Waitresses; and Office Clerks, General.

Table 5.7 Selected High-Demand Occupations (Base Year 2002 & Projected Year 2012)

Occupation	Annual Average Job Openings		
	Total	Due to Growth	Due to Separations
Cashiers	315	55	260
Combined Food Preparation and Serving Workers**	220	65	155
Retail Salespersons	200	45	155
Waiters and Waitresses	160	25	135
Office Clerks, General	105	30	75
Registered Nurses**	105	55	50
General and Operations Managers	105	35	70
Truck Drivers, Heavy and Tractor-Trailer	90	45	45
Teacher Assistants	85	40	45
Elementary School Teachers, Except Special Education	80	35	45
First-Line Supervisors/Managers, Retail Sales	70	30	40
Janitors and Cleaners, Except Maids	70	25	45
Nursing Aides, Orderlies, and Attendants**	65	35	30
Bookkeeping, Accounting, and Auditing Clerks	60	15	45
Child Care Workers	60	20	40
Maintenance and Repair Workers, General	60	25	35
Secretaries, Except Legal, Medical, and Executive	60	5	55
Landscaping and Groundskeeping Workers	55	20	35
Secondary School Teachers, Except Special Education	55	20	35
Cabinetmakers and Bench Carpenters**	50	25	25
Sales Representatives, Except Technical and Scientific Products	50	20	30
Maids and Housekeeping Cleaners	50	25	25
Meat, Poultry, and Fish Cutters and Trimmers	***	***	***
First-Line Supervisors/Managers of Production and Operating Workers	45	15	30
Cooks, Institution and Cafeteria	45	15	30
Customer Service Representatives	40	20	20
Welders, Cutters, Solderers, and Brazers	40	15	25
Automotive Service Technicians and Mechanics	40	10	30
Farm, Ranch, and Other Agricultural Managers	40	0	40
Packers and Packagers, Hand	40	15	25
First-Line Supervisors/Managers of Office and Administrative Support Workers	40	10	30
Licensed Practical and Licensed Vocational Nurses	40	15	25
Construction Laborers**	40	25	15
Tellers	40	10	30
Middle School Teachers, Except Special Education	35	15	20
Hairdressers, Hairstylists, and Cosmetologists	35	10	25
Carpenters	35	15	20
Security Guards	35	15	20
Counter and Rental Clerks**	35	15	20

Note: A minimum of 35 average annual job openings is used as selection criterion and data are rounded to nearest 5.
** Qualify as both high-demand and fast-growing occupations.
*** The data for these occupations are confidential using Bureau of Labor Statistics standards.
Source: Alabama Department of Industrial Relations.

Fast-Growing Occupations

The top 36 of occupations ranked by projected growth of employment are listed in Table 5.8. A third of these occupations are in education and health or health support. The top five fast-growing occupations are Medical Assistants; Telecommunications Line Installers and Repairers; Home Health Aide; Emergency Medical Technicians & Paramedics; and Painters, Transportation Equipment. Six occupations are both high-demand and fast-growing: Counter and Rental Clerks; Cabinetmakers and Bench Carpenters; Registered Nurses; Construction Laborers; Combined Food Preparation and Serving Workers; and Nursing Aides, Orderlies, and Attendants.

Table 5.8 Selected Fast-Growing Occupations (Base Year 2002 & Projected Year 2012)

Occupation	Employment		Percent Change	Annual Growth (Percent)	Total Annual Average Job Openings
	2002	2012			
Medical Assistants	250	380	52.0	4.28	20
Telecommunications Line Installers and Repairers	370	520	40.5	3.46	25
Home Health Aides	430	590	37.2	3.21	20
Emergency Medical Technicians and Paramedics	260	350	34.6	3.02	15
Painters, Transportation Equipment	120	160	33.3	2.92	10
Welding, Solderers, and Brazers Machine Setters and Operators	120	160	33.3	2.92	10
Pharmacists	310	410	32.3	2.84	15
Dental Assistants	190	250	31.6	2.78	10
Social and Human Service Assistants	340	440	29.4	2.61	15
Telecommunications Equipment Installers	210	270	28.6	2.54	10
Counter and Rental Clerks**	500	640	28.0	2.50	35
Industrial Engineers	150	190	26.7	2.39	10
Public Relations Managers	150	190	26.7	2.39	10
Directors, Religious Activities and Education	230	290	26.1	2.35	10
Pharmacy Technicians	310	390	25.8	2.32	15
Cabinetmakers and Bench Carpenters**	930	1,170	25.8	2.32	50
Sales Managers	240	300	25.0	2.26	10
Preschool Teachers, Except Special Education	410	510	24.4	2.21	15
Receptionists and Information Clerks	710	880	23.9	2.17	30
Personal and Home Care Aides	210	260	23.8	2.16	10
Legal Secretaries	170	210	23.5	2.14	10
Training and Development Specialists	170	210	23.5	2.14	10
Cost Estimators	130	160	23.1	2.10	10
Registered Nurses**	2,470	3,040	23.1	2.10	105
Special Education Teachers, Secondary School	130	160	23.1	2.10	10
Vocational Education Teachers, Secondary School	180	220	22.2	2.03	10
Vocational Education Teachers, Postsecondary	180	220	22.2	2.03	10
Construction Laborers**	1,090	1,330	22.0	2.01	40
Management Analysts	230	280	21.7	1.99	10
Combined Food Preparation and Serving Workers**	3,050	3,710	21.6	1.98	220
Nursing Aides, Orderlies, and Attendants**	1,670	2,030	21.6	1.97	65
Cement Masons and Concrete Finishers	140	170	21.4	1.96	10
Education Administrators, Postsecondary	140	170	21.4	1.96	10
Advertising Sales Agents	190	230	21.1	1.93	10
Mechanical Engineers	240	290	20.8	1.91	10
Kindergarten Teachers, Except Special Education	290	350	20.7	1.90	10

Note: Selection criterion is annual growth rate of at least 1.9 percent. Employment level data are rounded to the nearest 10 and job openings data are rounded to the nearest 5.

** Qualify as both high-demand and fast-growing occupations.

*** The data for these occupations are confidential using Bureau of Labor Statistics standards.

Source: Alabama Department of Industrial Relations.

High-Earning Occupations

Any discussion of earnings must consider that wages vary with experience. Occupations with the highest entry wages may not necessarily have the highest average or experienced wages. Table 5.9 shows 50 selected highest earning occupations in the region. The selected high-earning occupations are mainly in health, legal, management, engineering, computer, and postsecondary education fields. The selected high-earning occupations are generally not fast-growing or high-demand. One occupation, General and Operations Managers, is both high-earning and high-demand. Six occupations are both high-earning and fast-growing: Pharmacists; Mechanical Engineers; Industrial Engineers; Sales Managers; Management Analysts; and Education Administrators, Postsecondary.

Other Workforce Issues

Available Labor

The availability of labor is critical to economic development. WIAA Region 5 currently has a low unemployment rate, but it also has a 53,350-strong available labor pool that is looking for better jobs, typically higher-wage ones. This pool includes 44,700 underemployed workers. The region's underemployed workers are willing to commute farther and longer; 57 percent are prepared for 20 or more minutes longer and 44 percent for 20 or more extra miles.

A lack of job opportunities in their areas and low wages at the available jobs are the primary reasons given for being underemployed. Retirement and disability are the primary reasons given for not working, but a lack of job opportunities is also mentioned. Some nonworkers may become part of the labor force if their problems can be addressed. Economic development efforts should take these factors into consideration.

Employment is growing faster than the labor force. Higher employment demand could reduce commuter outflow and presents communities with opportunities to attract new residents. Some communities must be prepared to invest in amenities and infrastructure to support such growth because immigration is generally more beneficial to communities than in-commuting.

Immigration is one way of growing the labor force through growth in the population. The region's population growth rate is below the state's rate and this is expected to continue through 2010. Another strategy to expand the labor force to meet increasing employment demand is to focus on hard-to-serve populations, which include persons in poverty, those receiving welfare, those in sparsely populated areas, those on active parole, and out-of-school youth. These people are often outside of the mainstream economy and poor. They usually have difficulty finding work because they have low levels of educational attainment, lack occupational skills, or face geographic or other barriers. Some investment in training, transportation, child care, infrastructure, etc. may be needed to tap these potential workers. This strategy will raise labor force participation and may be very effective given the region's low population growth rate.

Table 5.9 Selected High-Earning Occupations

Occupation	Mean Annual Salary ($)
Anesthesiologists	196,976
Surgeons	180,856
Obstetricians and Gynecologists	176,010
Internists, General	169,749
Family and General Practitioners	146,370
Pediatricians, General	144,581
Chief Executives	135,304
Dentists, General	134,410
Lawyers	106,933
Engineering Managers	96,200
Physicists	93,974
Natural Sciences Managers	88,795
Personal Financial Advisors	88,046
General and Operations Managers	85,821
Aerospace Engineers	84,344
Mathematicians	83,366
Pharmacists	83,075
Chiropractors	82,514
Optometrists	81,806
Real Estate Brokers	81,723
Computer and Information Systems Managers	81,078
Health Specialties Teachers, Postsecondary	80,930
Marketing Managers	79,435
Sales Managers	78,957
Electronics Engineers, Except Computer	78,686
Securities, Commodities, and Financial Services Sales Agents	78,458
Environmental Engineers	76,960
Financial Managers	76,003
Materials Engineers	73,382
Medical and Health Services Managers	72,925
Electrical Engineers	72,904
Purchasing Managers	72,488
Computer Software Engineers, Applications	71,698
Mechanical Engineers	70,221
Education Administrators, Postsecondary	69,618
Industrial Production Managers	69,056
Management Analysts	68,806
Veterinarians	68,619
Construction Managers	67,163
Sales Engineers	66,934
Computer Programmers	66,789
Computer Systems Analysts	65,250
Industrial Engineers	65,125
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	64,979
Education Administrators, Elementary and Secondary School	64,480
Financial Examiners	63,794
Architects, Except Landscape and Naval	63,627
Clinical, Counseling, and School Psychologists	63,253
Civil Engineers	63,190
Business Teachers, Postsecondary	63,170

Note: The list of occupations is specific to the region, but earnings are statewide. Only the 50 highest earning single occupations are presented. The list does not include occupations that are affected by confidentiality. Some high-earning occupational groups are not listed because earnings can vary considerably for occupations within these groups. Employment data are rounded to the nearest 10. The data provided are based on the November 2004 release of the Occupational Employment Statistics (OES) combined employment and wage file. Estimates for specific occupations may include imputed data.

"NA" indicates data items that are not publishable or not available.

Source: Center for Business and Economic Research, The University of Alabama and Alabama Department of Industrial Relations.

Skills

Jobs require skill sets and it is necessary that jobholders have the relevant skills. High earning occupations typically require more complex skills, which are obtained in the pursuit of the high educational attainment levels that such jobs require. Low earning occupations require fewer and more basic skill sets; some low earning occupations have no minimum skill set requirements (e.g. dishwashers and maids).

Table 5.10 shows the percentage of selected occupations in WIAA Region 5 that list a particular skill as primary. We define a primary skill as one in the top 10 of the required skill set for an occupation. O*NET Online provides skill sets for all occupations ranked by the degree of importance. Thus primary skills are more important than other skills. It is important to note that a particular skill may be more important and more extensively used in one occupation than another. Table 5.10 does not address such cross-occupational skill importance comparisons.

In general, basic skills are most frequently listed as primary. Science and critical thinking skills are primary for more selected high-earning occupations than selected fast-growing and selected high-demand occupations. A similar pattern holds for complex problem solving, resource management, and systems skills; these skills require longer training periods and postsecondary education. The high-demand and high-growth occupations in the region are dominated by occupations such as Cashiers; Retail Salespersons; Combined Food Preparation and Serving Workers; and Waiters and Waitresses. The most relevant skills for such occupations are active listening, reading comprehension, speaking, writing, and service orientation.

Education and Training Issues

Educational attainment in WIAA Region 5 is below that of the state. Seventy-one percent of residents age 25 and over have graduated from high school and 13 percent have bachelor's or higher degree, compared to 75 percent and 19 percent, respectively, for Alabama. All the region's nine counties have lower educational attainment than the state. Education and skill requirements for jobs keep rising and emphasize a very strong need to raise educational attainment in the region.

Table 5.11 shows the number of selected occupations in the region for which a particular education/training category is most common. In general, high-earning occupations typically require a bachelor's or higher degree. Most of the high-demand jobs do not require postsecondary training. A third of fast-growing jobs require a bachelor's or higher degree. Some form of on-the-job training is the minimum requirement for most high-demand occupations. The challenge for the region is that future jobs are likely to require some postsecondary education and training.

The finding that basic skills are important for all the selected occupations (Table 5.10) indicates a strong need for training in these skills. Ideally, all high school graduates should possess basic skills so that postsecondary and higher education can focus on other and more complex skill types while enhancing basic skills. Employers should be an integral part of planning for training as they can point out the skill needs of the future and any existing gaps.

Table 5.10 Share of Selected Occupations for Which Skill Is Primary

	Selected High-Demand Occupations	Selected Fast-Growing Occupations	Selected High-Earning Occupations
Basic Skills			
Active Learning	31%	44%	70%
Active Listening	72%	86%	86%
Critical Thinking	59%	58%	94%
Learning Strategies	31%	31%	14%
Mathematics	31%	33%	36%
Monitoring	38%	31%	36%
Reading Comprehension	67%	78%	96%
Science	3%	6%	36%
Speaking	67%	83%	70%
Writing	33%	58%	44%
Complex Problem Solving Skills			
Complex Problem Solving	3%	11%	42%
Resource Management Skills			
Management of Financial Resources	5%	0%	16%
Management of Material Resources	5%	0%	2%
Management of Personnel Resources	13%	6%	16%
Time Management	46%	64%	50%
Social Skills			
Coordination	31%	28%	32%
Instructing	31%	44%	18%
Negotiation	8%	3%	18%
Persuasion	5%	6%	16%
Service Orientation	31%	42%	14%
Social Perceptiveness	46%	53%	14%
Systems Skills			
Judgment and Decision Making	21%	19%	72%
Systems Analysis	0%	3%	12%
Systems Evaluation	0%	3%	22%
Technical Skills			
Equipment Maintenance	13%	11%	0%
Equipment Selection	21%	19%	8%
Installation	13%	6%	0%
Operation and Control	10%	8%	4%
Operation Monitoring	8%	0%	2%
Operations Analysis	3%	6%	20%
Programming	0%	0%	4%
Quality Control Analysis	5%	3%	2%
Repairing	13%	3%	0%
Technology Design	0%	0%	8%
Troubleshooting	8%	3%	10%

Note: Definitions for skill types and skills are available at http://online.onetcenter.org/skills/

Source: O*NET Online and Center for Business and Economic Research, The University of Alabama.

Table 5.11 Number of Selected Occupations with Most Common Education/Training Requirement

Most Common Education/Training Requirements Categories	Selected High-Demand Occupations	Selected Fast-Growing Occupations	Selected High-Earning Occupations
First Professional Degree		1	12
Doctoral Degree			2
Master's Degree			3
Work Experience Plus a Bachelor's or Higher Degree	2	5	13
Bachelor's Degree	3	6	18
Associate Degree	1	1	
Postsecondary Vocational Training	3	3	
Work Experience in a Related Occupation	3	2	1
Long-term On-the-job Training	3	3	
Moderate On-the-job Training	8	9	1
Short-term On-the-job Training	16	6	

Note: The last three education and training requirements categories are based on the length of time it generally takes an average worker to achieve proficiency for occupations in which postsecondary training is usually not needed for entry. **Long-term** requires more than 12 months on-the-job training that can include up to four years of apprenticeship, formal classroom instruction, and short-term employer-sponsored training. Trainees are generally considered to be employed in the occupation. **Moderate-term** requires one to 12 months on-the-job experience and informal training. **Short-term** requires up to one month on-the-job experience and training.

Source: O*NET Online; Center for Business and Economic Research, The University of Alabama; and Alabama Department of Industrial Relations.

High-earning occupations make up a small component of total employment and jobs offered by top employers in the region. Diversifying the region's economy would strengthen it. Economic development should also focus on retaining, expanding, and attracting businesses that provide more high-earning jobs. Workforce development should pay attention to postsecondary and higher educational systems to ensure a ready and available workforce for these businesses. The higher incomes to graduates of these institutions would help raise personal income for the region. Raising personal income by improving educational attainment and technological skills for a region that has a large number of low wage jobs is an effective economic development strategy.

A highly educated and productive workforce is a critical economic development asset. Together, workforce development and economic development can provide this asset and build a strong well-diversified regional economy. Indeed, one cannot achieve success without the other.

Regional Advisory Council Annual Report: Implications for Action

The material in this section is from the August 2005 Annual Report of the Region 5 Workforce Development Regional Advisory Council. It does not necessarily reflect the opinions of the direct contributors to this workforce report.

The shortage of a trained workforce can be attributed to several circumstances:

- Layoffs by the telephone industry in the technical field over the last few years have deterred students from entering technical fields.
- Electronics is a difficult field of study, one that requires special skills and abilities. This limits the number of students that will enroll in this curriculum under any circumstances.
- Jobs in the manufacturing sector carry the stigma of being dirty, sweaty, dead-end jobs.

- Students are strongly pressured by family and our culture to pursue, at minimum, a four-year degree.

In response to the above, several actions are suggested:

<u>At the high school level</u>

- Increase awareness of technical careers to the high schools and the middle schools (have representatives from the career technical programs visit high school students and counselors.
- Promote the high school dual enrollment and Early College Options programs for technical careers.
- Increase awareness of the alternatives to four-year degrees.
- Promote the advantages of technical careers (to students, counselors, and parents):
    - Good salaries and benefits
    - Numerous job opportunities
    - No longer a dirty sweaty job
    - Opportunities for advancement
- Plant tours
- Career days
- Offer scholarships
- Co-op/shadowing programs

<u>General workforce strategies</u>

- Recruit employees from areas with high unemployment.
- Local TV programming—"spotlight" one industry a month to educate the public on the advantages of technical careers.
- Utilize the services of Alabama Industrial Development Training and the Career Centers to train workers to replace those lost to the automotive industry.
- Offer tax incentives to firms that train employees.
- Encourage industry to invest in workforce development and collaborate with education sectors to develop programs.
- Overall, increase pre-service and in-service training. Increase worker assessment and credentialing.